

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2000-505-C - ORDER NO. 2001-93
JANUARY 31, 2001

IN RE: Application of Time Warner Telecom of) ORDER GRANTING
South Carolina, L.L.C. for a Certificate of) CERTIFICATE FOR
Public Convenience and Necessity to Provide) LOCAL AND
Local Exchange and Interexchange) INTEREXCHANGE
Telecommunications Services in the State of) AUTHORITY AND FOR
South Carolina and for Alternative Regulation) ALTERNATIVE AND
and Flexible Regulation.) FLEXIBLE REGULATION

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of Time Warner Telecom of South Carolina, L.L.C. ("TWT-SC" or the "Company") for authority to provide intrastate local exchange and interexchange telecommunications services within the State of South Carolina. By its Application, TWT-SC requests authority to offer local exchange services to customers in the service area of incumbent local exchange carrier BellSouth Telecommunications, Inc. and interexchange services to customers throughout the State.¹ The Company requests that the

¹ TWT-SC's Application states "Applicant intends to offer local exchange services to customers in the service area of incumbent local exchange carrier Bell South Telecommunications, Inc. and interexchange services to customer throughout the State." (Application, p. 1.) Further, Exhibit 4 to the Application, the "Service Area Map" only designates the Columbia, South Carolina area as TWT-SC's proposed service area. Accordingly, the Notice of Filing and Hearing only noticed that requested scope of authority for TWT-SC's local telecommunications services as "the service area of the incumbent local exchange carrier, BellSouth Telecommunications, Inc." However, in the testimony of TWT-SC witness Marek, witness Marek stated that TWT-SC is "seeking authority to provide local services in the BellSouth, GTE/Verizon, Sprint/United areas of the state." Testimony of Marek, p. 4, ll.6-8. As the Notice of Filing and Hearing only provided notice that the Applicant was seeking local exchange authority in the BellSouth service areas of South Carolina, this Commission cannot approve a greater scope of authority in this order. However, nothing herein shall preclude TWT-SC from, at a later date, submitting a request to expand the scope of the local authority granted herein.

Commission regulate its local telecommunications services in accordance with the principles and procedures established for flexible regulation in Order No. 98-165 in Docket No. 97-467-C. In addition, the Company requests that the Commission regulate its business services offerings under the identical regulatory treatment granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. The Company's Application was filed pursuant to S.C. Code Ann. Section 58-9-280 (Supp. 1999) and the Rules and Regulations of the Commission.

By letter, the Commission's Executive Director instructed TWT-SC to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. The Company complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was received from the South Carolina Telephone Coalition ("SCTC") on December 1, 2000.

On December 8, 2000, counsel for SCTC filed with the Commission a Stipulation in which TWT-SC stipulated that it would seek authority only in non-rural local exchange ("LEC") service areas of South Carolina and that it would not provide any local service to any customer located in a rural incumbent's service area, unless and until TWT-SC provided written notice of its intent prior to the date of the intended service. The Company also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. TWT-SC agreed to abide by all State and Federal laws and to participate to the extent that it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to

the granting of a statewide Certificate of Public Convenience and Necessity to the Company provided the conditions contained in the Stipulation are met. The Stipulation is approved and attached as Order Exhibit 1.

A hearing was commenced on January 11, 2001, at 11:30 a.m. in the Commission's Hearing Room. The Honorable William Saunders, Chairman, presided. TWT-SC was represented by Bonnie D. Shealy, Esquire. Florence P. Belser, Deputy General Counsel, represented the Commission Staff. Carolyn M. Marek, Vice President of Regulatory Affairs for Time Warner Telecom, appeared and testified in support of the Application. Barbara J. Crawford, Auditor III, and James M. McDaniel, Chief of Telecommunications, testified on behalf of the Commission Staff.

According to the record, TWT-SC is a limited liability company organized under the laws of the State of Delaware, and TWT-SC has received authority from the South Carolina Secretary of State to transact business within the State of South Carolina. Time Warner Telecom, Inc. is the sole member of TWT-SC. Time Warner Telecom, Inc. is a Delaware corporation and is a facilities-based provider of local exchange telecommunications services and a reseller of interexchange services in several states throughout the United States. In providing services in South Carolina, TWT-SC will rely on the financial resources and technical expertise of its parent corporation, Time Warner Telecom, Inc.

Ms. Marek opined that the officers of TWT-SC have sufficient managerial and technical experience in the telecommunications industry. Time Warner Telecom, Inc., TWT-SC's parent company, has more than 6 years of experience in providing telecommunications services in several states throughout the United States. Ms. Marek stated that Time Warner Telecom, Inc. is

providing service to business customers in eleven states and 22 markets. A review of the Exhibit 3 to the Application provides a brief description of the managerial and technical qualifications of key personnel of TWT-SC. This exhibit reveals personnel with significant experience in the telecommunications industry, as well as experience in management, sales, law, regulatory policy, finance, service management, engineering, product development, marketing, and human resources.

With regard to TWT-SC's financial ability to operate as a telecommunications carrier, Ms. Marek states that TWT-SC is a newly formed entity and will be relying on the financial resources of its parent company, Time Warner Telecom, Inc., to finance its operations. Ms. Marek opined that Time Warner Telecom, Inc. has sufficient financial resources to provide financial backing to TWT-SC and to meet TWT-SC's cash needs. In support of her opinion, Ms. Marek pointed to financial documents submitted with the Application, consisting of Time Warner Telecom, Inc.'s SEC Form 10-Q containing balance sheets and income statements for the periods ending March 31, 2000, and December 31, 1999, and Time Warner, Inc.'s SEC 10-K for the year ended December 31, 1999.

Ms. Marek testified that TWT-SC intends to provide facilities-based local exchange services, including but not limited to, broadband data and voice services and resold interexchange services. TWT-SC will also provide access to intraLATA and interLATA message toll calling, operator services, directory assistance, directory listings, and emergency services such as 911 through its own facilities or by purchasing these services from incumbent local exchange carriers ("ILECs") or competitive local exchange carriers ("CLECs").

Ms. Marek stated that TWT-SC will provides its services to business customers in South Carolina. Specifically, TWT-SC initially plans to target business customers in Columbia, South Carolina and will eventually expand its operations throughout South Carolina. TWT-SC has a local office in Columbia and intends to employ approximately twenty people at the Columbia facility.

According to Ms. Marek, TWT-SC will predominately use its own facilities to provide the local exchange services proposed but will supplement its network with network components purchased from the ILEC or another competing carrier where necessary. Ms. Marek stated that the Company has plans to invest \$10 million in South Carolina in its first year. TWT-SC's facilities include state-of-the-art digital switching equipment capable of instantly directing both analog and digital, as well as narrowband and broadband signals around the world. The network will be comprised of fiber optic rings supporting a number of points of presence, local serving offices, and multiple customer locations.

The record reveals TWT-SC will use outside vendors and internal billing professionals to bill customers for its services on a monthly basis. TWT-SC plans to solicit customers through its own sales representatives, through general advertising, and through referrals from current customers in other existing local markets. TWT-SC does not utilize telemarketing in the marketing of its services. Customer inquiries or complaints are handled through Time Warner Telecom, Inc.'s National Operation Center in Greenwood Village, Colorado. Access to customer service representatives is via a toll-free telephone number, and customer service representatives are available twenty-four hours a day, seven days a week.

Ms. Marek asserts that TWT-SC will operate in compliance with all applicable statutes, regulations, and Commission orders. Further, Ms. Marek assured the Commission that TWT-SC's service will meet applicable service standards and that TWT-SC will support universally available telephone service at affordable prices. Further, Ms. Marek offered that approval of TWT-SC's Application serves the public interest by increasing telecommunications competition in South Carolina thereby bringing about lower rates, improved quality of service, and enhanced services. Moreover, the presence of TWT-SC in the market will increase incentives for the ILEC's to reduce their prices, offer more innovative services, and improve their quality of service thereby benefiting all consumers in South Carolina. Ms. Marek also offered that approval of TWT-SC's Application would not adversely impact the availability of affordable local service because approval of the Application should enhance competition in South Carolina which, in turn, should increase downward pressures on rates as well as enhance product and service quality and diversity.

Finally, Ms. Marek discussed TWT-SC's requests for certain waivers of Commission regulations and for relaxed regulatory treatment. TWT-SC requests that the Commission regulate its interexchange business services, consumer card, and operator service offerings in accordance with the principles and procedures established by Orders No. 95-1734 and 96-55 in Docket No. 1995-661-C. In addition, the Company requests that the Commission regulate its local exchange telecommunications services under the flexible regulatory treatment approved by Order No. 1998-165 in Docket No. 1997-467-C.

Mrs. Crawford testified as to his findings of the Audit Department's review of TWT-SC's financial statements that were submitted as part of the Company's Application. Mrs. Crawford

reviewed the financial statements of Time Warner Telecom, Inc. dated December 31, 1998, December 31, 1999, and March 31, 2000. According to Mrs. Crawford, the financial statements indicated a financially strong company. The December 31, 1991, financial statements revealed that cash made up 9% of the total assets of the parent company, that long-term debt made up 39% of the parent company's total liabilities and stockholders' equity, and that the parent company had a strong 1.69 current ratio. Although the December 31, 1999, financials indicated retained earnings were negative due to losses, stockholders' equity was still positive due to additional paid in capital. Regarding the unaudited, consolidated financial statements of March 31, 2000, Mrs. Crawford stated that cash made up 8% of the total assets of the parent company, that long-term debt made up 38% of the total liabilities and stockholders' equity, and that the current ratio of the parent company was calculated at a strong 1.45. Further, the consolidated statements of operations of the parent company reflected a loss at March 31, 2000, but stockholders' equity was positive at March 31, 2000. Mrs. Crawford opined that based on the financial statements filed, TWT-SC's parent company appears to be a financially strong company that is in a position to fund the operation of TWT-SC.

Mr. McDaniel presented testimony to the Commission on the findings of the Utilities Department with respect to TWT-SC's Application for a Certificate of Public Convenience and Necessity. According to Mr. McDaniel, TWT-SC seeks authority to offer local exchange services to customers in the service areas of BellSouth Telecommunications, Inc. and to offer interexchange services to customers throughout the state. Additionally, Mr. McDaniel testified that TWT-SC seeks to have its local telecommunications services regulated in accordance with the principles and procedures established for flexible regulation in Order No. 98-165 in Docket

No. 97-467-C. Also TWT-SC requests that the Commission regulate TWT-SC's long distance business service offerings, including consumer card and operator service offerings in accordance with the principles and procedures established by Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C.

Mr. McDaniel also noted that TWT-SC seeks waivers of certain Commission regulations. Specifically, TWT-SC seeks a waiver of application of 26 S.C. Code Ann. Regs. 103-631 (1976 and Supp. 1999) which requires the publication and distribution of local telephone directories and the provision of directory listings, a waiver of application of 26 S.C. Code Ann. Regs. 103-610 (1976) which requires that all records be kept within the State of South Carolina, and a waiver of any reporting requirements which although applicable to incumbent LECs are not applicable to competitive providers. In addition, TWT-SC requests this Commission's permission to maintain its financial records in conformance with Generally Accepted Accounting Principles (GAAP) rather than the Uniform System of Accounts (USOA). Mr. McDaniel stated that the Staff did not oppose waiver of the application of 26 S.C. Code Ann. Regs. 103-631 (1976 and Supp. 1999) concerning the publication of local directories or waiver of application of 26 S.C. Code Ann. Regs. 103-610 (1976) which requires that all records be kept within the State of South Carolina or the grant of permission to maintain books and records in conformance with Generally Accepted Accounting Principles (GAAP) rather than the Uniform System of Accounts (USOA). However, Mr. McDaniel did voice objection to the request for waiver of reporting requirements. Mr. McDaniel stated his belief that the request was overly broad and lacking in specificity. Also, Staff finds that reports filed under these reporting requirements provide important information for comparing utilities' operations and that these reports can be used for

analysis of the quality of telecommunications services provided by carriers operating within the state.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. TWT-SC is a limited liability company organized under the laws of the State of Delaware and is authorized to do business in the State of South Carolina by the Secretary of State.

2. TWT-SC is a provider of local exchange and interexchange telecommunications services and wishes to provide its services in South Carolina.

3. TWT-SC has the managerial, technical, and financial resources to provide the services as described in its Application. S.C. Code Ann. Section 58-9-280 (B)(1) (Supp. 1999).

4. The Commission finds that TWT-SC's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. Section 58-9-280 (B)(3) (Supp. 1999).

5. The Commission finds that TWT-SC will support universally available telephone service at affordable rates. S.C. Code Ann. Section 58-9-280 (B)(4) (Supp. 1999).

6. The Commission finds that TWT-SC will provide services which will meet the service standards of the Commission. S.C. Code Ann. Section 58-9-280 (B)(2) (Supp. 1999).

7. The Commission finds that the provision of local exchange service by TWT-SC “does not otherwise adversely impact the public interest.” S.C. Code Ann. Section 58-9-280 (B)(5) (Supp. 1999).

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to TWT-SC to provide competitive intrastate local exchange service in the service area of incumbent local exchange carrier BellSouth Telecommunications, Inc. The terms of the Stipulation between TWT-SC and SCTC are approved, and adopted as a part of this Order. Therefore, any proposal to provide local telecommunications service to rural service areas is subject to the terms of the Stipulation. In addition, TWT-SC is granted authority to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through its own facilities and through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), directory assistance, travel card service or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. TWT-SC shall file, prior to offering local exchange services in South Carolina, its final tariff of its local service offerings conforming to all matters discussed with Staff and comporting with South Carolina law in all matters. TWT-SC’s local telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C.

Specifically, the Commission adopts for TWT-SC's competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels that will have been previously approved by the Commission. Further, TWT-SC's local exchange service tariff filings are presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

3. The Commission adopts a rate design for the long distance services of TWT-SC which are consistent with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C.

Under the Commission approved alternative regulation, the business service offerings of TWT-SC, including consumer card services and operator services, are subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission. Any relaxation in the future reporting requirements that may be adopted for AT&T shall apply to TWT-SC also.

4. With regard to the residential interexchange service offerings of TWT-SC, the Commission adopts a rate design which includes only maximum rate levels for each tariff

charge. A rate structure incorporating maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

5. With regard to residential interexchange service rates, TWT-SC shall not adjust its residential interexchange service rates below the approved maximum level without notice to the Commission and to the public. TWT-SC shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for residential interexchange services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1999).

6. If it has not already done so by the date of issuance of this Order, TWT-SC shall file its revised long distance tariff and an accompanying price list within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

7. TWT-SC is subject to access charges pursuant to Commission Order No. 86-584 in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

8. With regard to the Company's resale interexchange service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

9. TWT-SC shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If TWT-SC changes underlying carriers, it shall notify the Commission in writing.

10. With regard to the origination and termination of toll calls within the same LATA, TWT-SC shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the Federal Communications Commission, pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209).

11. TWT-SC shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The annual report and the gross receipt filings will necessitate the filing of intrastate information. Therefore, TWT-SC shall keep such financial records on an intrastate basis as needed to comply with the annual report and gross receipt filings. The form the Company shall use to file annual financial information with the Commission can be found at the Commission's website at www.psc.state.sc.us/forms/default.htm. The two page form the Company shall use to file this information is entitled "Annual Information on South Carolina Operations for Interexchange Companies and AOS". Be advised that the Commission's annual report for telecommunications companies requires the filing of intrastate revenues and intrastate expenses. Additionally, TWT-

SC shall file with the Commission a quarterly report entitled "CLEC Service Quality Quarterly Report." The proper form for this report is found on the Commission's website at www.psc.state.sc.us/forms/default.htm.

12. In addition, TWT-SC is required to file annual report information for competitive local exchange carriers. The form the Company shall use to file annual financial information with the Commission can be found at the Commission's website at www.psc.state.sc.us/forms/default.htm. This form is entitled "Annual Report for Competitive Local Exchange Carriers" and consists of four pages.

13. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours.

TWT-SC shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The form the Company shall use to file this authorized utility representative information can be found at the Commission's website at www.psc.state.sc.us/forms. This form is entitled "Authorized Utility Representative Information." Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.

14. TWT-SC shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

15. By its Application, TWT-SC requested a waiver of 26 S.C. Code Ann. Regs. 103-631 (1976 and Supp. 1999). In lieu of publishing local directories, TWT-SC informs the Commission that it will contract with the incumbent LECs to provide TWT-SC's customers with directory listings, as well as to undertake the distribution of directories. The Commission finds TWT-SC's request reasonable and grants the requested waiver of the application of 26 S.C. Code Ann. Regs. 103-631 (1976 and Supp. 1999). Further, TWT-SC is granted a waiver of 26 S.C. Regs. 103-610(1976) requiring the Company to maintain its financial books and records within the State of South Carolina. TWT-SC is hereby granted permission to maintain its financial books and records at its principal headquarters, provided TWT-SC makes the records available for examination by the Commission upon reasonable request. Further, the Commission acknowledges that TWT-SC will maintain its financial books and records in conformance with GAAP. TWT-SC is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

16. Title 23, Chapter 47, South Carolina Code of Laws Ann., governs the establishment and implementation of a "Public Safety Communications Center," which is more commonly known as a "911 system" or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs TWT-SC to contact the appropriate authorities regarding 911 service in the counties and

cities where the Company will be operating. Contact with the appropriate authorities is to be made before beginning telephone service in South Carolina. Accompanying this Order is an information packet from the South Carolina Chapter of the National Emergency Number Association ("SC NENA") with contact information and sample forms. The Company may also obtain information by contacting the E911 Coordinator at the Office of Information Resources of the South Carolina Budget and Control Board. By this Order and prior to providing services within South Carolina, TWT-SC shall contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.

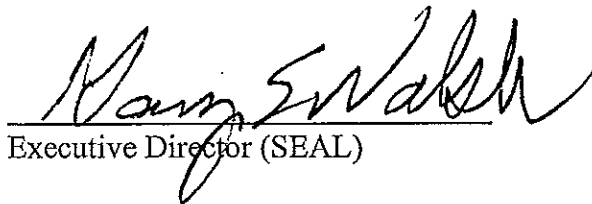
17. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Chairman

ATTEST:


Executive Director (SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

Docket No. 2000-505-C

Re: Application of Time Warner Telecom of South)
Carolina, L.L.C. for a Certificate of Public)
Convenience and Necessity to Provide Facilities-)
based and Resold Local and Interexchange)
Telecommunications Services in the State of)
South Carolina)
_____)

STIPULATION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Time Warner Telecom of South Carolina, L.L.C. ("Time Warner") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose Time Warner' Application. SCTC and Time Warner stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Time Warner, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. Time Warner stipulates and agrees that any Certificate which may be granted will authorize Time Warner to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. Time Warner stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. Time Warner stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless

and until Time Warner provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Time Warner acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Time Warner stipulates and agrees that, if Time Warner gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then Time Warner will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. Time Warner acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and Time Warner, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

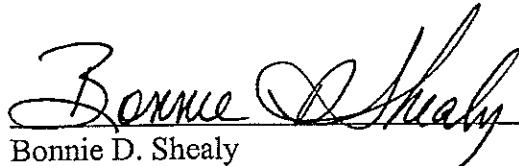
8. Time Warner Telecom agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

9. Time Warner Telecom hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 7th day of December, 2000.

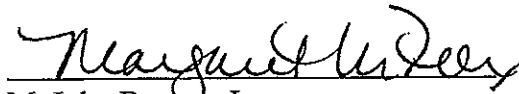
Time Warner Telecom of South Carolina, LLC

South Carolina Telephone Coalition



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Coalition

ATTACHMENT A

South Carolina Telephone Coalition Member Companies
for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.
Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Heath Springs Telephone Company Inc.
Home Telephone Company, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company

BEFORE
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OF
SOUTH CAROLINA

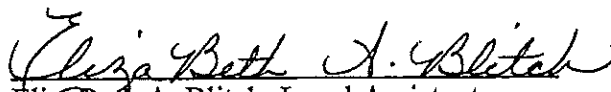
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based and Resold Local and Interexchange)
Telecommunications Services in the State of)
South Carolina)
_____)

**CERTIFICATE OF
SERVICE**

I, ElizaBeth A. Blich, do hereby certify that I have this date served one (1) copy of the foregoing Stipulation upon the following party of record by causing said copy to be deposited with the United States Mail, first class postage prepaid to:

Bonnie D. Shealy, Esquire
Robinson, McFadden & Moore, P.C.
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December 8, 2000

Columbia, South Carolina